

## CHAPTER 7 GUIDELINES

The United States Trustee is charged with the responsibility to supervise bankruptcy cases pursuant to 28 United States Code §586 and other applicable statutes. The law gives the United States Trustee wide-ranging responsibilities and broad discretionary authority to carry out this mandate. These guidelines are published in accordance with that authority for the purpose of assisting debtors, their attorneys and, where appropriate, appointed trustees in satisfying their statutory duties and to help them in the orderly, expeditious and efficient administration of cases.

### 1. FILING AND SERVICE OF PLEADINGS:

**1.1. SERVICE ON UNITED STATES TRUSTEE:** Unless requested otherwise by the United States Trustee, all documents (other than proofs of claim) filed by the Debtor or a party in interest with the Bankruptcy Court shall be served contemporaneously on the United States Trustee.

**1.2. EMPLOYMENT OF PROFESSIONALS:** Not less than five (5) calendar days before filing an application with the Bankruptcy Court to employ a professional, the applicant shall serve a copy of such application on the United States Trustee. Within five (5) calendar days of being served with the application, the United States Trustee shall notify the applicant of objections, if any, and shall request a hearing on the application. After five (5) calendar days, the applicant may file the application with the Bankruptcy Court.

**1.3. SUBMISSION OF MATTERS FOR COMMENT BY UNITED STATES TRUSTEE:** Any party in interest may submit any matter to the United States Trustee for review and comment prior to filing the matter with the Bankruptcy Court.

### 2. EMPLOYMENT AND COMPENSATION OF PROFESSIONALS

**2.1. APPLICATION TO EMPLOY PROFESSIONALS:** The following list of items should appear in an application to employ a professional. The list is neither exclusive or exhaustive and, depending upon the scope of the employment, may vary considerably. However, an application to employ a professional should, at a minimum, comply with 11 U.S.C. §§ 327, 328, 329, and 1103(b), Bankruptcy Rules 2014, 2016, 5002 and 9034, and the Local Rules of the district within which the case is pending.

**2.1.1 Scope of Employment:** As to each professional, the application should state the necessity for employment and the scope of services to be rendered.

**2.1.2. Terms of Employment:** The application should state the terms and conditions of the employment agreement, including the amount of retainer or advance received for bankruptcy-related services, the source of such retainer or advance if other than the Debtor, the then current hourly rate(s) charged by professionals and paraprofessionals expected to render services, and other charges that may be considered in the application for compensation.

**2.1.3. Prepetition Employment:** The application should state whether the professional was retained for prepetition services other than bankruptcy-related services, the date such services were commenced, a general description of the services rendered, and whether there is a retainer balance.

**2.1.4. Professional Disclosure:** The application should be accompanied by a declaration showing that the professional complies with the requirements of 11 U.S.C. §§ 101(14), 327, 329, or 1103(b) and Bankruptcy Rules 2014, 2016, and 5002.

**2.1.5. Timely Filing of Application:** The application should be filed with the Bankruptcy Court within fifteen (15) days after commencement of the bankruptcy case. Any subsequent application for employment of a professional should be filed promptly. (See also Guidelines No. 1.2.)

**2.2 APPLICATION FOR COMPENSATION OF PROFESSIONALS:** The following list of items should appear in an application for compensation of a professional. The list is neither exclusive nor exhaustive and, depending upon the scope of the employment, may vary considerably. However, an application to employ a professional should, at a minimum,

comply with 11 U.S.C. §§ 328, 329, 330 and 331, Bankruptcy Rules 2002 and 2016, and the Local Rules of the district within which the case is pending.

**2.2.1 Background Information:** The application should recite the date of the order approving employment of the professional for whom payment of fees or expenses is sought, the scope of such employment, the amount of the original retainer or advance and any balance remaining, the dates of all prior applications for compensation, including a list of the amount of fees or expenses previously requested, the amount allowed, the amount approved for payment, and the amount actually paid.

**2.2.2. Services Rendered:** The application should include a description of the case, the services rendered, and the results achieved during the period encompassed by the application. If the total fees requested in a case exceed \$10,000, a task analysis must be incorporated into the application. For each such task, the applicant must indicate the total hours expended on the task, the blended rate for the task, and the total compensation requested for the task completion.

**2.2.3. Available Funds:** The application should include an estimate of funds available for payment of requested fees or expenses, taking into account other unpaid administrative expenses. The application should state separately the amount of compensation requested and the amount of expenses for which the applicant seeks reimbursement.

**2.2.4. Description of Services:** The application should include a detailed listing of all time spent by the professional on matters for which compensation is sought, including the following:

2.2.4.1 Dates on which services were rendered.

2.2.4.2. Description of the person who rendered each service.

2.2.4.3. Description of the time spent and the specific task performed. Unless excused by local rules or explicit court order, time is to be recorded in .1 hour increments or multiples thereof.

**2.2.5. Expenses:** An application which seeks reimbursement of expenses should include a list of all expenses by category and date (e.g., telephone, photocopy, messenger, delivery, word processing, computer assisted legal research, and other charges) and should explain unusual or costly expenses.

**2.2.6. Hourly Rates:** The application should state, in substantially the following form, the hourly rates charged by each person whose services form a basis for the compensation requested in the application:

<u>Professional's Name</u>	<u>Hourly Rate</u>	<u>Hours This Application</u>	<u>Total Fee</u>
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**2.2.7. Applications for Final Compensation:** A final application should be filed by each professional who has been employed to perform services. The application should seek approval of all prior payments of compensation and should state the final amount to be allowed and approved for payment.